

FINANCE AND MANAGEMENT COMMITTEE

11th February 2021

PRESENT:

Labour Group

Councillor Dr. Pearson (Chairman), Councillor Richards (Vice-Chairman) and Councillors Rhind, Southerd, Taylor and Tilley

Conservative Group

Councillors Mrs. Brown, Churchill, Corbin (substituting for Councillor Ford) and Watson.

Independent Group

Councillors Angliss and Fitzpatrick

In Attendance

Councillors Atkin, Bambrick, Dunn, Hewlett and Mrs. Wheelton.

FM/115 **APOLOGIES**

Apologies for absence were received from Councillor Ford.

FM/116 **TO RECEIVE THE OPEN MINUTES OF THE FOLLOWING MEETING**

The Open Minutes of the following Meetings were reviewed, considered as a true record and approved by the Chairman.

<u>Committee</u>	<u>Date</u>	<u>Minutes No's</u>
Finance and Management Committee	30.07.20	FM/32 – FM/45
Finance and Management Committee	27.08.20	FM/48 – FM/58

FM/117 **DECLARATIONS OF INTEREST**

The Committee was informed that Councillor Richards declared a personal interest in item FM/131 by virtue that the person was known to him.

FM/118 **QUESTIONS FROM MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO 10**

The Committee was informed no questions from members of the public had been received.

FM/119 **QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO 11**

The Committee was informed a question had been received from

FM/120 **REPORTS OF OVERVIEW AND SCRUTINY COMMITTEE**

The Committee was informed that no reports of Overview and Scrutiny Committee had been received.

MATTERS DELEGATED TO COMMITTEE

FM/121 INTRODUCTION OF PRE-PLANNING APPLICATION CHARGING

The Head of Planning and Strategic Housing presented the report to the Committee. Members were informed that the report had been approved by E&DS Committee in January 2021 and that another report was to be brought before E&DS and F&M Committees in March 2021 to demonstrate how income generated could be reinvested into the Planning Service. The Head of Planning and Strategic Housing highlighted the preferred model to be adopted and those applications that would be excluded from the charge.

RESOLVED:

- 1.1 *The Committee noted the support in principle from Environment and Development Services Committee to introduce the proposed Model 2 scheme in the Appendix of the report, for charging for planning pre-application advice to be provided by the Planning Service.***
- 1.2 *The Committee approved the financial implications contained in the report.***
- 1.3 *The Committee agreed that the proposals for how the potential income generated by the adoption of pre-application charging could be reinvested in the Planning Service, be the subject of separate reports to Environment and Development Services and Finance and Management Committee.***

FM/122 PROPOSED LOCAL COUNCIL TAX REDUCTION SCHEME 2021-22

The Strategic Director (Corporate Resources) delivered the Report to the Committee highlighting the need to extend the scheme for a further year.

RESOLVED:

- 1.1 *The Committee approved the existing Local Council Tax Reduction Scheme currently in place and that it be continued for 2021/22.***
- 1.2 *The Committee agreed that the detailed parameters be submitted to Full Council on 24 February 2021 for formal adoption.***

FM/123 **GENERAL FUND CONSOLIDATED BUDGET REPORT 2021-22**

The Head of Finance presented the Report to the Committee explaining that recommendations 1.2 and 1.3 would separate consideration. The Head of Finance highlighted the Council's financial position, Council Tax, Local Government Settlements, Business Rates and the proposed Budget for 2021-22.

Councillor Churchill supported the increase of 1.95% and raised a query regarding South Derbyshire District Councils proportion as a percentage of the total Council Tax bill and how the 1.95% increase compared to increase for other elements of the bill. The Head of Finance informed Members that the Council retained 10.4% of the Council Tax bill and the element for Parish Council within the District was about 11%. The Strategic Director (Corporate Resources) added that the only known approximate increases were 6% for the Police and Crime Commission and 2% for County Council.

Councillors Southerd supported by Councillor Richards proposed a 1% increase.

Cllr Brown enquired how a 1% increase would impact on the Councils green initiatives and other services for our residents – The Strategic Director (Corporate Resources) the current financial position of the council was sustainable at the current time but the potential impact of the Fair Funding Review would need to be considered and that going below 1.95% could in the future put added pressure on the commitments of the Corporate Plan. The Strategic Director (Service Delivery) informed Members that the proposals within the Climate and Environment Plan under review had no allocated funding and alternative income streams were to be considered.

Cllr Fitzpatrick supported by Councillor Angliss proposed an increase of 1.5%

RESOLVED:

- 1.1 The Committee considered and approved the estimates of revenue income and expenditure on the General Fund for 2021/22.**
- 1.2 The Committee approved a 2% increase on grants to voluntary bodies and Parish Councils for concurrent functions for 2021/22**
- 1.3 The Committee recommended to Full Council that the rate of Council Tax for 2021/22 should be increased by 1%.**
- 1.4 The Committee approved the updated five-year financial projection for the General Fund to 2025/26 as detailed in Appendix 1 of the report, and all the associated assumptions and risks as included in the report.**
- 1.5 The Committee noted the Council's National Non-Domestic Rates return (NNDR1) for 2020/21 showing retained business rates of £8,874,194 for 2021/22.**

- 1.6** *The Committee noted that efficiencies and budget savings continue to be pursued to improve the current financial projection.*

FM/124 **HOUSING REVENUE ACCOUNT BUDGET 2021-22 AND FINANCIAL PLAN TO 2030**

The Head of Finance presented the Report to the Committee and provided a summary of the key points and highlighted the Housing Revenue Account reserves and the annual rent increase.

RESOLVED:

- 1.1** *The Committee approved the proposed revenue income and expenditure for 2021/22, together with the 10-year Financial Plan for the Housing Revenue Account (HRA) as detailed in Appendix 1 of the report.*
- 1.2** *The Committee agreed that that the HRA be kept under review and measures identified to mitigate the financial risks detailed in the report and to maintain a sustainable financial position.*

FM/125 **CAPITAL BUDGET TO 2026**

The Head of Finance presented the Report to the Committee providing a summary of the General Fund, the Housing Revenue Account, Capital Reserves and Housing Revenue Account Reserves.

Members thanked the Head of Finance for a detailed report that gave the Council hope for the future.

RESOLVED:

- 1.1** *The Committee considered and approved the capital programme expenditure and funding to 2026.*
- 1.2** *The Committee agreed that the current Fleet Management Strategy and Vehicle Replacement Plan be reviewed in 2021/22 and be realigned to the level of resources currently available and that the outcome be reported back to this Committee.*
- 1.3** *The Committee agreed that £600,000 be earmarked in the Capital Receipts Reserve to replace vehicles, plant and equipment in 2025/26, pending the above review.*

FM/126 **ANNUAL REPORT OF THE SECTION 151 OFFICER**

The Strategic Director (Corporate Resources) presented the report to the Committee which would also be presented to Full Council on the 24th February 2021 with an amendment regarding the 1% Council Tax increase, as approved.

Members were asked in particular to consider the recommendation to add nothing further to the Base Budget until the outcome of the Fair Funding Review was known.

Members noted the importance of no new spending commitments until the outcome of the Fair Funding Review expected in the Autumn 2021.

RESOLVED:

- 1.1** *The Committee noted and considered the Annual Report of the Section 151 Officer.*

- 1.2** *The Committee noted that the Council has due regard to the Annual Report when approving the Budget for 2021/22 at Full Council on 24 February 2021 and when considering future proposals for new spending and the utilisation of resources.*

- 1.3** *The Committee noted that no new spending commitments will be added to the Base Budget and Medium-Term Financial Plan approved by the Finance and Management Committee on 11 February 2021, pending the outcome of the Government's Fair Funding Review.*

- 1.4** *The Committee noted that the Medium-Term Financial Plan will be reviewed and updated following details emerging from the Government's Fair Funding Review which is expected in autumn 2021.*

FM/127 **COMMITTEE WORK PROGRAMME**

The Strategic Director (Corporate Resources) presented the report to the Committee.

RESOLVED:

The Committee considered and approved the updated work programme.

FM/128 **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

RESOLVED:-

That, in accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended), the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraphs of Part 1 of the Schedule 12A of the Act indicated in brackets after each item.

TO RECEIVE THE EXEMPT MINUTES OF THE FOLLOWING MEETINGS

The Committee approved the exempt minutes.

<u>Committee</u>	<u>Date</u>	<u>Minutes No's</u>
Finance and Management Committee	30.07.20	FM/46 – FM/47
Finance and Management Committee	27.08.20	FM/59 – FM/65

**TO RECEIVE QUESTIONS FROM MEMBERS OF THE COUNCIL
PURSUANT TO COUNCIL PROCEDURE RULE NO. 11**

The Committee was informed no questions had been received.

LAND AT ALBERT VILLAGE

The Committee approved the recommendation in the report.

The meeting terminated at 19:40 hours.

COUNCILLOR Dr PEARSON

CHAIRMAN